

**UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF MONTANA**

In re

**KC TRANSPORT, LLC,**

Debtor.

Case No. **1:25-bk-10010-BPH**

**ORDER**

In this chapter 11 case, the Debtor filed its Second Motion to Sell Property Free and Clear of Liens Under Section 363(f) at ECF No. 63 (“Sale Motion”); Loeb Term Solutions, LLC (“Loeb”), a secured creditor, filed a limited objection to Debtor’s Motion at ECF No. 65 (“Limited Objection”). A hearing was held on July 14, 2025. Appearances were noted on the record. At the hearing, the Debtor and Loeb informed the Court that they had resolved the Limited Objection and would file a stipulation with the Court setting forth their resolution.

This Court granted the Debtor and Loeb through July 16 to file a stipulation setting forth the details of their agreed terms. Debtor and Loeb filed a Stipulation on July 16, 2025, at ECF No. 74 (“Stipulation”).

The Sale Motion seeks to engage the Steffes Group, Inc. (“Steffes”) to auction portions of the Debtor’s rolling stock inventory including 13 semi-tractors and 27 trailers.<sup>1</sup> Loeb’s Limited Objection focused on the limited marketing period prior to the Steffes Auction and the lack of a minimum auction bid on each vehicle. Loeb raised additional issues of an incomplete name of the Debtor on the auction contract, the omission of identifying Loeb as a lienholder on the auction contract, and no reservation granted to Loeb to hold the title to the vehicles until Loeb received payment from the Steffes Group.

Accordingly, upon review of the Sale Motion, Limited Objection, and the Stipulation,

**IT IS ORDERED:**

1. The Stipulation filed at ECF No. 74 is approved. The parties shall be bound by and perform according to the terms and conditions of the approved stipulation;
2. The Sale Motion as modified by the Stipulation is **GRANTED** as set forth herein below;

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<sup>1</sup> Two trailers are secured by Verdant Commercial Capital, LLC were withdrawn from the Sale Motion by stipulation filed at ECF No. 68 and approved by this Court at ECF No. 69.

3. Steffes is authorized to hold an on-line live auction consisting solely of the Auction Property (described herein below) commencing on its website on August 21, 2025, at 9:00 a.m. (Central Daylight Time) and continuing until 11:00 a.m. (Central Daylight Time) on August 28, 2025. (the “Steffes Auction”).

4. The Debtor is authorized to sell the following items of property at the Steffes Auction free of any interest in the property held by Loeb or Yellowstone Bank to the full extent permitted by 11 U.S.C. § 363(f) and the liens held by Loeb and Yellowstone Bank shall transfer to the net proceeds of sale of such property:

2020 KENWORTH - T800	1XKDD49XXLR389327 <sup>2</sup>
2021 KENWORTH - T880 - 18 SPEED	1XKZD49X5MJ440965
2020 KENWORTH - T800	1XKDD49X1LR389328
2021 KENWORTH - T880 - 18 SPEED	1XKZD49X7MJ440966
2020 KENWORTH - T800	1XKDD49XXLR389330
2021 KENWORTH - T880 - ULTRASHIFT PLUS	1XKZD49XXMJ440945
2020 KENWORTH - T800	1XKDD49X3LR389329
2021 KENWORTH - T880 - ULTRASHIFT PLUS	1XKZD49X1MJ440946
2020 KENWORTH - T800	1XKDD49X1LR389331
2020 KENWORTH - T800	1XKDD49X3LR389332
2020 KENWORTH T800 - 38" FLAT TOP - WHITE	3WKDP4EXXLF406871
2020 KENWORTH T800 - 38" FLAT TOP - WHITE	3WKDP4EX3LF406873
005 HEIL/PNEUMATIC	5HTSN493157U10881
2005 HEIL 3 AXLE	5HTSN493357U10879
2019 DORSEY - DOMINATOR - RGN (51-55 ton)	5JYLB5539KPD11139
2018 JET - STEPDECK 53'	5JNDS4821JH000440
2015 TREMCAR - PNEUMATIC - Lead	2TLHB3833FB000423
1992 J&L - PUP TRAILER	1J9P4AF66N2001108
1995 J & L PNEUMATIC	1HLS1L4B7S5T01943

#### **SETS<sup>3</sup>**

2009 A(1) HEIL	5HTSN422197T13378
1995 A(2) J&L - PUP TRAILER 4 axle	1HLS1L4B0S5T01945
2006 B(1) HEIL/PNEUMATIC	5HTSN422375T36105
1979 B(2) FRUHAUF - PUP TRAILER 5 axle pup	FRV743002
1991 C(1) J & L PNEUMATIC TRAILER	1J9P4AG2XM2001011

<sup>2</sup> No lien.

<sup>3</sup> “Sets” identifies trailer and pup combinations; (1) identifies the trailer and (2) identifies the pup trailer.

1986 C(2) J&L - PUP TRAILER 4 AXLE	1J9P4AC24G2001967
2005 D(1) LTB/PNEUMATIC TRAILER	4J8B043295T007801
1994 D(2) HEIL - TANKER PUP 4 AXLE	1HLSIL4B2R5T01696
1991 E(1) J &L PNEUMATIC TRAILER	1J9P4AT24M2001124
1994 E(2) HEIL - TANKER- PUP 4 AXLE	1HLSIL4B9R5T01694
2019 F(1) J&L PNEUMATIC	3H4JS343XK3710810
2019 F(2) J&L PNEUMATIC - PUP TRAILER	3H4JS3451K3710812
2019 G(1) J&L PNEUMATIC	2H4JS3431K3710811
2019 G(2) J&L PNEUMATIC - PUP TRAILER	3H4JS3453K3710813
1991 H(1) J&L PNEUMATIC	1J9P4AG21M2001012
1987 H(2) BEALL - PUP TRAILER	1BN1C2946HB002096
1997 J(1) J&L TANK PNEUMATIC	5JL5P3234V5T03779
1997 J(2) J &L TANK PNEUMATIC	5JL5P3220V5T03821

(the “Auction Property”).

5. Steffes is authorized to and shall employ its best marketing efforts and methods to advertise the Steffes Auction commencing on the date of this Order through and until the last date of the Steffes Auction.

6. Loeb shall within three (3) business days of the date of this Sale Order, deliver PDF or photocopies of titles of each item of Auction Property subject to its lien by email to [chris.gellner@steffesgroup.com](mailto:chris.gellner@steffesgroup.com) and to KC Transport by email to [apatten@ppbglwaw.com](mailto:apatten@ppbglwaw.com) and [khall@kc-transport.com](mailto:khall@kc-transport.com).

7. Steffes is authorized to receive compensation of a 10 percent seller’s commission on the gross sales proceeds realized in the Steffes Auction and additionally is authorized to charge a buyer’s premium of 1 percent on the winning bid price but not more than \$1,000 per item of Auction Property sold (the “Steffes Commissions”);

8. Steffes shall promptly and no later than seven (7) calendar days following the conclusion of the Steffes Auction, pay directly to Loeb, the Steffes Auction sale proceeds net of the Steffes Commissions (the “Loeb Proceeds”) through Loeb’s payment instructions to Steffes and with respect to the 1991 J(1) J&L Tank Pneumatic and J(2) J&L Tank Pneumatic, the proceeds of which shall be paid to Yellowstone Bank. Loeb shall, within seven (7) calendar days of the date of its receipt of the Loeb Proceeds, deliver, by over-night courier, the original titles it holds for the Auction Property subject to Loeb’s liens at Steffe’s Williston, N.D. office for execution by KC Transport and delivery of the titles to the buyers.

9. The Debtor is authorized to sell the following items of property at no less than the corresponding sale price (“RK Sale”) by private sale brokered by RK Statewide Auction Service (“RK”):

Frank Lepell 4- 2400 BUSHEL GRAIN BINS	\$34,000
Tveit Farms 2-3200 BUSHEL GRAIN BINS	\$26,000
Frank Smith CAT 299D SKID STEER WITH BUCKET	\$55,000

(the “RK Property Sale”).

10. The Debtor is authorized to pay RK a 10 percent sale commission on the gross proceeds of the RK Property Sale.

11. Debtor is authorized to and shall execute a revised auction contract with Steffes consistent with the terms of this Sale Order and additionally which shows the KC Transport’s full legal name, “KC Transport, LLC,” reflects the revised date of the on-line auction (August 21 through August 28), and identifies Loeb as a lienholder on the items of property being auctioned, save and except the 1997 J&L Tank Pneumatic Trailer and Pup trailer which are subject to a lien held by Yellowstone Bank (“Steffes Auction Contract”).

12. To the extent that there is any contradiction between the terms of this Sale Order and the Steffes Auction Contract, this Sale Order shall prevail as the governing terms of the Steffes Auction.

Dated July 21, 2025.

BY THE COURT:



Hon. Benjamin P. Hursh  
United States Bankruptcy Court  
District of Montana